

ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

HIGHER EDUCATION STRATEGIC PLAN

FY 2013-14

January 2013

EXECUTIVE SUMMARY:

Since its founding, the Colorado Commission on Higher Education (CCHE, Commission) has had the responsibility for statewide strategic planning. Starting in 2004, the Colorado General Assembly passed several bills that modified the CCHE's activities in system wide planning, ultimately culminating in Senate Bill 11-052, which formally linked statewide strategic planning with institutional performance contracts and future performance funding. As such, the strategic planning requirements of House Bill 10-1119 are fulfilled and enhanced by the implementation of Senate Bill 11-052.

Past performance contracts, those executed in response to Senate Bill 04-189, were not expressly designed to direct resource allocation decisions. The new performance contracts required by Senate Bill 11-052 formally address this by linking the recently completed statewide master plan with future resource allocation decisions.

The CCHE's FY 2013-14 budget request includes new operational funding for institutions for the first time in a number of years. This new funding will not only help institutions sustain core programs and operations but also support the goals of the statewide master plan such as increasing degree completion, reducing disparities for underserved students, improving credit hour accumulation, and improving outcomes for students in remedial coursework. With the completion of the plan and performance contracts, the CCHE and the institutions will have agreement on the top priorities of the state for our public higher education institutions.

New funding for need-based financial aid requested in FY 2013-14 also supports performance-based planning. The Commission on Higher Education spent much of the past year working with national experts and campus representatives to modify the state's financial aid allocation method. The purpose of the changes under consideration by the Commission is to more closely align financial aid funding with the priorities found in the master plan and support student success. Specifically, the CCHE's plan would create financial "rewards" or incentives for student retention, progress, and timely completion. The changes under consideration by the CCHE would be noticeably enhanced by the FY 2013-14 financial aid budget request (Decision Item 2).

The recently completed statewide master plan (see Addendum A) is the foundation for the new performance contracts, which are expected to be finalized in February 2013. The Department and CCHE are completing performance contract negotiations with institutional governing boards and campus leaders. At this time, all public institutions have completed an initial draft of performance metrics, and most have completed the process to the satisfaction of their governing boards (see Addendum B). Some questions and topics regarding performance metrics and contracts remain, but these are under active consideration and are expected to be resolved over the next few weeks. A copy of the performance indicator template developed by the CCHE and used by the campuses is available in Addendum C. An example of a draft performance contract, as prepared by the Colorado Office of the Attorney General, is available in Addendum D.

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¹ Note: Contracts with Area Vocational Schools will not be completed until after February, as these institutions are currently in the process of preparing and submitting data into the Department's Student Unit Record Data System (SURDS).

In addition, all of the private colleges and universities that participate in the College Opportunity Fund program are in receipt of revised performance contracts and the "performance metric worksheet" used by the state's public colleges and universities; meetings with representatives from these campuses have taken place or have been scheduled. Once all the contracts have been formally signed by both the institution/system and the Commission, the Department will revise and resubmit this strategic plan.

STATUTORY AUTHORIZATION (DEPARTMENT & COMMISSION):

"There is hereby established a central policy and coordinating board for higher education in the state of Colorado, to be known as the Colorado commission on higher education" – Section 23-1-102 (2), C.R.S. (2012)

"the department of higher education is responsible for implementing the duly adopted polices of the Colorado commission on higher education...it is the duty of the Colorado commission on higher education and the department of higher education to implement the policies of the general assembly" – Section 23-1-101, C.R.S. (2012)

MISSION STATEMENTS:

Colorado Department of Higher Education: The mission of the Department of Higher Education is to improve the quality of, ensure the affordability of, and promote access to, postsecondary education for the people of Colorado. In pursuing its mission, the Department of Higher Education will act as an advocate for the students and institutions of postsecondary education and will coordinate and, as needed, regulate the activities of the state's postsecondary education institutions.

The Colorado Commission on Higher Education: CCHE's mission is to provide access to high-quality, affordable education for all Colorado residents that is student-centered, quality driven and performance-based. CCHE's primary "customers" are Colorado students and citizens. CCHE is committed to providing the best quality education at the best price with the best possible service for its customers.

VISION STATEMENT:

Higher education must fulfill its essential role in creating the conditions for a healthy state economy, a productive society and a high quality of life for the people of the state. While serving these greater societal needs, the department and the state's institutions understand that their main purpose is the rigorous instruction of students. The department, working together with the state's institutions of postsecondary education, seeks a future for Colorado in which its institutions are accountable for continued improvement in the quality, efficiency and results of postsecondary education and are adequately funded to do so.

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STATUTORY AUTHORIZATION FOR PLANNING:

"On or before September 1, 2012, the commission shall develop and submit to the governor and the general assembly a new master plan for Colorado postsecondary education. The commission shall collaborate with the governing boards and chief executive officers of the state institutions of higher education in developing the master plan. In addition, the commission shall take into account the final report of the higher education strategic planning steering committee appointed by the governor. In drafting the master plan, addressing the issues specified in paragraph (b) of this subsection (1.5), and establishing the goals as described in paragraph (c) of this subsection (1.5) for the state system of higher education" — Section 23-1-108 (1.5), C.R.S. (2012)

BRIEF HISTORY OF THE CCHE AND STATUTORY BACKGROUND OF PERFORMANCE CONTRACTS:

Since its founding in 1965, the Colorado Commission on Higher Education (CCHE) has had the responsibility for statewide strategic planning for the system of higher education. According to statute (C.R.S. 23-1-108), the CCHE is responsible for the following statewide planning activities:

- Establishing a policy-based and continuing systemwide planning, programming, and coordination process to effect the best use of available resources;
- Establishing such academic and vocational education planning as may be necessary to accomplish and sustain systemwide goals of high quality, access, diversity, efficiency, and accountability;
- Determining the role and mission of each state-supported institution of higher education within statutory guidelines;
- Establishing enrollment policies, consistent with roles and missions, at state-supported institutions of higher education as described in statute;
- Establishing state policies that differentiate admission and program standards and that are consistent with institutional roles and missions as described in statute;
- Adopting statewide affirmative action policies for the commission, governing boards, and state-supported institutions of higher education; and
- Establishing systemwide policies concerning administrative costs.

Historically, the CCHE provided a strategic planning report to the Colorado General Assembly once every four years; however, in 2004, this process was modified significantly.

With the passage of Senate Bill 04-189, which created the College Opportunity Fund (COF) program, some aspects of the relationship between the CCHE and the postsecondary governing boards changed. As a result of Senate Bill 04-189, the traditional planning process outlined in

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§23-1-108 C.R.S. was replaced with the development and execution of institution- or system-specific performance contracts. At the time, these contracts were unique in the nation and articulated specific performance targets for institutions that participated in the COF program. Following guidance found in statute, these performance contracts addressed common goals such as improvements in student retention, completion rates, and access for underserved students. The original term of the performance contracts was from 2005-2009, during which time the CCHE did not create an additional strategic plan

In 2010, the CCHE performance contracts were extended by the CCHE. In that same year, the Colorado General Assembly passed Senate Bill 10-003, which granted institutions of higher education increased financial flexibility in return for increased accountability to ensure the ongoing access and success for students from lower and middle income families. Senate Bill 10-003 also required the CCHE to renew its historic role in master planning and prepare a formal statewide strategic plan for delivery to the Governor and General Assembly no later than December 2010.

In December, 2010, the CCHE formally adopted the Higher Education Strategic Plan's (HESP) report, *The Degree Dividend*. The HESP process accessed the condition of Colorado's higher education system and identified challenges. It served as the foundation of the master planning process that culminated in the development of a new statewide master plan and new performance contracts.

Finally, in 2011, the Colorado General Assembly adopted Senate Bill 11-052, a bill that directed the CCHE to (1) extend the terms of the existing performance contracts to December 2012, to (2) prepare and deliver a formal master plan for higher education no later than September 2012, and (3) to prepare new performance contracts for higher education systems, using the newly adopted master plan as the basis for the contracts, by December 2012. And, unlike previous statewide performance plans or contracts, those created by way of Senate Bill 11-052 must eventually be used for the introduction of performance funding. In December 2012, the CCHE completed the process of developing a new statewide master plan according to the directives found in Senate Bill 11-052.

At this moment, the CCHE and Department are completing the process of working with institutional governing boards and campus leaders to finalize specific performance indicators to be used in new performance contracts (see Addenda B and D).

The legislative requirements of Senate Bill 11-052 and the performance contract process align with and support the intent of House Bill 10-1119 (SMART Act) in that performance can be annually measured and assessed by program area—in the case of higher education, the individual campuses and governing boards—and at a statewide level. Senate Bill 11-052 directed the Commission to develop agreed upon statewide goals that are to be implemented through performance contracts individually tailored to each governing board. Each contract includes performance indicators that assess an institution's annual progress. Institutional progress can also be aggregated to assess progress on the statewide goals. This approach respects the distinctive responsibilities of the governing boards and the unique roles and missions of the campuses they oversee while supporting shared statewide goals articulated in the newly adopted statewide master plan.

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When this process is completed, the CCHE and Department will provide copies of the performance contracts to the General Assembly as well as post them on the Department website.

STATEWIDE MASTER PLAN PROCESS AND TIMELINE:

For over a year, the CCHE committed itself to fulfilling the requirements of Senate Bill 11-052 by designing and creating a master plan for Colorado postsecondary education. The process of creating a new statewide master plan supported by performance contracts for Colorado's public higher education system is inherently time consuming given the need for full participation and agreement among and across different institutions. Without meaningful "buy-in" from the institutions, the master plan would be little more than an aspirational document. For this reason, the CCHE made it a priority to solicit input from officers of various units on campuses throughout the state at every stage of the planning process, in spite of the fact that this required additional time and effort. Taking the time for a collaborative process also helped ensure that the performance measures eventually agreed upon would be meaningful, understandable and achievable.

The Commission began this process during its annual retreat in August 2011 and has discussed the goals, metrics, and other aspects of the master plan at every official CCHE meeting since. Table 1 presents a tabulated summary of the meetings that took place for the development of the statewide master plan and performance contracts.

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Table One: Commission Meetings on Master Plan

Date	Event (location)	Activity	Participant Groups
May 2011	SB11-052 signed by Governor Hickenlooper	N/A	N/A
August 4 & 5, 2011	CCHE Annual Retreat (@ Fort Lewis College)	Discussion of Master Plan timeline Discussion of Statewide Goals	CCHE Members and DHE staff
September 8, 2011	CCHE Monthly Meeting (@ Colorado Mesa University)	Master Plan Update*	CCHE Members and DHE staff
October 6, 2011	CCHE Monthly Meeting (@ University of Northern Colorado)	Master Plan Update*	CCHE Members and DHE staff
November 3, 2011	CCHE Monthly Meeting (@ Arapahoe Community College)	Master Plan Update*	CCHE Members and DHE staff
December 2, 2011	Board of Trustee Chair Meeting (@ Auraria Higher Education Center)	Discussion of Maxter Plan Process Solicitation of Concepts Discussion of Statewide Goals	College CEO/Presidents Governing Board Chairs CCHE Members DHE and College Staff
January 6, 2012	CCHE Monthly Meeting (@ Colorado School of Mines)	Master Plan Update*	CCHE Members and DHE staff
February 3, 2012	CCHE Monthly Meeting (@ Department of Higher Ed)	Master Plan Update*	CCHE Members and DHE staff
March 2, 2012	CCHE Monthly Meeting (@ State Capitol)	Master Plan Update*	CCHE Members and DHE staff
March 13, 2012	Setting Statewide Goals Meeting (@ Community College of Aurora)	Discuss Setting Statewide Goals Development of Metrics	Senior Level College Rep CCHE Members DHE Staff
April 5, 2012	CCHE Monthly Meeting (@ State Capitol)	Master Plan Update*	CCHE Members and DHE staff
April 17, 2012	Setting Statewide Goals Meeting (@ Auraria Higher Education Center)	Continued Development of Metrics Review of other states' Master Plans and Performance Metrics	Senior Level College Rep CCHE Members DHE Staff
May 4, 2012	CCHE Monthly Meeting (@ State Capitol)		
May 23, 2012	Setting Statewide Goals Meeting (@ Colorado School of Mines)	Discussion of Master Plan Solicitation of Concepts Discussion of Statewide Goals	Senior Level College Rep CCHE Members DHE Staff
June 7, 2012	CCHE Monthly Meeting (@Otero Junior College)	Master Plan Update*	CCHE Members and DHE staff
June 28, 2012	Board of Trustee Summit (@ Fed Reserve Building)	Present and solicit feedback on proposed Statewide Goals and metrics in the Master Plan	General Assembly Member College CEO/Presidents Governing Board Member CCHE Members DHE and College Staff
August 2 & 3, 2012	CCHE Annual Retreat (@ Colorado Mountain College)	CCHE reviewed, considered and integrated institution feedback on Master Plan, Statewide Goals, and Performance metrics	CCHE Members and DHE staff (Institution staff attende and were asked to participate)
September 13, 2012	CCHE Monthly Meeting (@Adams State University)	Master Plan Update*	CCHE Members and DHE staff
September 26, 2012	Feedback from Revised Master Plan Draft Solicited from Governing Boards	I provided by meetings and letters	
October 1, 2012	Preliminary Meetings with CCHE, Staff Liaisons, and Campus Representatives regarding performance contracts	CCHE members and staff liaisons assigned to governing boards for performance contract negotiations and performance indicator determination	Institution leadership CCHE Members DHE staff
October 4, 2012	CCHE Monthly Meeting (@Metropolitan State University of Denver)	Master Plan Update*	CCHE Members and DHE staff
November 1, 2012	CCHE Monthly Meeting (@Regis University)	Master Plan Update*	CCHE Members and DHE staff
December 6, 2012	CCHE Monthly Meeting (@Colorado Community College System)	Master Plan Update*	CCHE Members and DHE staff

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The shaded items in Table One identify the instances where the Department of Higher Education sponsored meetings to solicit input on statewide goals and related performance metrics from boards of trustees, college presidents, and senior level college representatives.

- August 1-2, 2011 at Fort Lewis College Commission annual planning meeting. Over two days, the CCHE received input from the National Center for Higher Education Management Systems (NCHEMS) on critical needs in Colorado, discussed the conclusions of the Degree Dividend report, and then identified four preliminary statewide goals for the state's master plan.
- December 2, 2011 at the Auraria Higher Education Center meeting with chairpersons of the governing boards and college presidents. The purpose of this meeting was to discuss the master planning process and initial statewide goals;
- March 13, 2012 at the Community College of Aurora meeting with senior-level institution representatives. The purpose of this meeting was to discuss the of setting statewide goals and the development of metrics;
- April 17, 2012 at the Auraria Higher Education Center meeting with senior-level institution representatives. The purpose of this meeting was to review other states' master plans and performance metrics;
- May 23, 2012 at the Colorado School of Mines meeting with senior-level institution representatives. The purpose of this meeting was to discuss specific metrics for possible inclusion in the CCHE Master Plan; and,
- June 28, 2012 at the Federal Reserve Bank (Denver, CO) Higher Education Summit with governing board members, college presidents, Governor Hickenlooper, and members of the General Assembly. The purpose of this summit was to present and solicit feedback on proposed goals and metrics in the master plan.

In June 2012, the CCHE formally requested feedback from the governing boards on the proposed metrics and goals. The Commission asked that responses be submitted by early August. All institutions responded to this request, and the feedback they provided was discussed by the CCHE at a two-day working meeting on August 2-3, 2012 at Colorado Mountain College in Glenwood Springs, Colorado. After incorporating feedback from the campuses, the Commission again asked for final comment on the master plan, which was collected in late September 2012.

As the master plan neared completion, work on the performance contracts began. Commissioners and senior Department staff were assigned to work with institutional leadership in the selection and weighting of performance measures. This work was not only conducted at the board level, in many instances it also required extensive discussion and input from faculty and staff at the

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institution level. Today, all public governing boards have selected and weighted metrics in support of performance contracts. And, with the exception of the Area Vocational Colleges², all performance contracts for public institutions are on track to be finalized in February 2013. When all the performance contracts are finalized and adopted by the Commission they will immediately be made available on the Department website along with the new statewide master plan already available at the top of the main page of the Department website: http://highered.colorado.gov

It is important to note that the statewide master plan and institution-specific performance contracts will provide additional data to inform decision makers as to appropriate funding levels in future years. If future year revenues and appropriations allow for performance funding as set forth in Senate Bill 11-052, those funds will be allocated based entirely on the performance measures being negotiated with institutional governing boards today. Senate Bill 11-052 also requires that the Department submit a report to the General Assembly by December 2013 detailing how performance funding will work either through or in conjunction with the existing College Opportunity Fund (COF) Program

ADVANTAGES OF PERFORMANCE CONTRACTS UNDER S.B. 11-052

The previous system performance contracts signed in 2004 were one of a kind at the time but had limitations. First, many of the performance measures found in the 2004-05 contracts focused on cohorts of first-time, full-time students only. The new statewide master plan and performance contracts are more focused on overall annual improvements in student progress and completion, such as those in remediation, in progression and transitions (i.e., transfer), and in completion. This, we believe, more comprehensively captures the progress of all Colorado students.

Moreover, the 2004 contracts did not have authentic incentives or consequences for meeting or failing to meet performance criteria. In large part, this was the result of structural shortcomings in Senate Bill 04-189. In contrast, the performance contracts under consideration today must be used for future performance funding decisions. The level of performance funding is statutorily defined as 25 percent of all new revenue above \$650 million after "restored level of general fund support" (i.e., \$706 million) has been reached (23-1-108(1.9)(c)(I) C.R.S.). See Figure One below for a conceptual illustration of performance funding levels at various state revenue increments.

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² The CCHE will execute contracts with the Area Vocational Colleges in spring 2013, as these institutions are in the process of submitting student data into the Department's Student Unit Record Data System (SURDS). When these data are received, and baseline information can be established, performance contracts between the CCHE and governing boards of each of the Area Vocational Colleges will be completed.

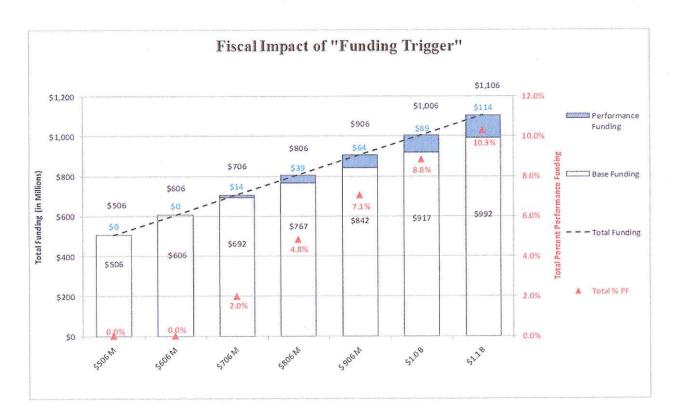


Figure One: Performance Funding Levels Under S.B. 11-052

The new master plan and performance contracts also align better with institutional planning. As a coordinating body, CCHE does not direct institutional planning and operations. Each governing board, local district junior college and area vocational school has a unique statutory role and mission and develops individual strategic and operating plans approved by its respective governing board. For this reason it was important that the statewide priorities articulated in the new master plan anticipate the institutional planning process. Performance measures in the contracts were selected and weighted at the governing board and institutional level. They have been negotiated with institution leadership and the CCHE, and ultimately adopted by the institution governing board to be in alignment with institutional plans.

Finally, the former performance contracts were not tied to a statewide master plan. Therefore, individual contract results did not necessarily culminate into consistent performance on common statewide targets. By formally tying performance contracts to the state's master plan, Senate Bill 11-052 harmonized these documents, thereby creating a more uniform system of monitoring performance. Table Two (below) summarizes improvements in the type of data collected and the way it will be measured and used as outlined under Senate Bill 11-052.

Table Two: Comparing Performance Measures

Old Performance Measures	New Performance Measures
Data limited to first-time, full-time students	Includes data for non-traditional and transfer
	students
Focus on student retention and graduation of a	Focus on degree and certificate completion
particular cohort	across the student population
Emphasis on number of students enrolled	Emphasis on improvements in persistence and
_	degree completion
No measure of progress toward goals	Annual measures progress included
Limited focus on underserved student	Measures include annual improvements in
performance	reducing disparities in performance between
	underserved and non-underserved students
Limited measures for important student	Includes improvement measures for remedial
subpopulations	and STEM students

MASTER PLAN AND PERFORMANCE CONTRACTS - RELATIONSHIP TO THE SYSTEM BUDGET

The FY 2013-14 budget request is linked to and reinforces planning efforts at a statewide and institutional level. The Governor's November 1, 2012 budget request for FY 2013-14 represents the first time in a number of years (since FY 2008-09) where the overall system of higher education has a General Fund increase to both operating for public colleges and state based financial aid (see Figure Two below). The proposed increase occurs at the same time that Colorado's public colleges and universities and the CCHE are completing agreement on output-oriented performance measures detailed in institution-specific performance contracts.

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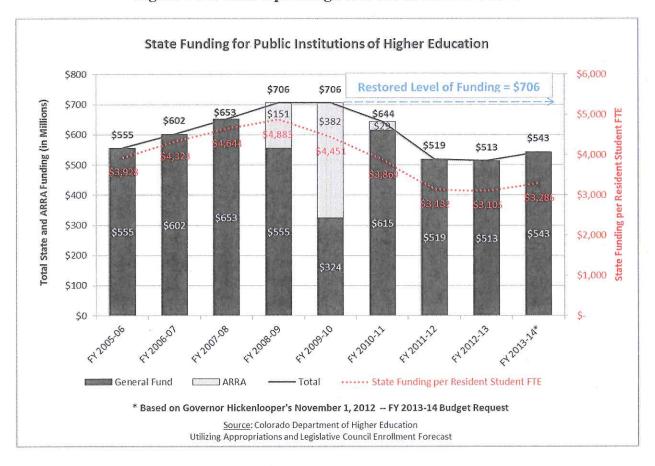


Figure Two: State Operating Fund Levels Since FY 2006

The proposed \$30 million in operating funds for FY 2013-14 will provide a foundation for measuring performance under the contracts in the years ahead and the \$5.3 million in additional need-based financial aid funds are expected to be applied in a way that creates an immediate institutional incentive for improving academic progression and timely completion.

The FY 2013-14 request does not anticipate a level of funding that would trigger performance funding as defined in statute. Nevertheless, as it is a significant increase over the prior year the request sets the stage for allowing institutions to plan internally to meet the statewide goals articulated in the master plan (Addendum A). Additional funding requested in the FY 2013-14 budget will allow some institutions to restore operational reserves depleted in recent years, make or restore investments in student services and implement strategies to reduce performance disparities. The FY 2013-14 request may allow institutions to hold tuition increases to a lower level than in recent years. Last year an additional \$5.8 million reduction in state funding resulted in the FY 2012-13 tuition levels summarized on Table Three (below).

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Table Three: Base Tuition Increases by Institution, FY 2011-12 to 2012-13

Institution	FY 2011-12 Tuition only (30 credit hrs)	FY 2012-13 Tuition only (30 credit hrs)	Dollar Increase	% Increase
Adams State University	\$3,312	\$3,816	\$504	15.2%
Colorado Community College System	\$3,176	\$3,383	\$207	6.5%
Colorado Mesa University	\$5,780	\$6,103	\$324	5.6%
Colorado School of Mines	\$12,585	\$13,590	\$1,005	8.0%
Colorado State University	CSU: \$6,307	CSU: \$6,875	\$568	9.0%
System	CSU-P: \$4,486	CSU-P: \$5,194	\$708	15.8%
Fort Lewis College	\$4,048	\$4,800	\$752	18.6%
Metropolitan State University of Denver	\$3,809	\$4,304	\$495	13.0%
ASSOCIATION SERVICE	UCCS: \$6,720	UCCS: \$7,050	\$330	4.9%
University of Colorado System	UCD: \$6,776	UCD: \$7,980	\$1,204	17.8%
	UCB: \$7,672	UCB: \$8,056	\$384	5.0%
University of Northern Colorado	\$5,300	\$5,464	\$164	3.1%
Western State Colorado University	\$3,922	\$4,627	\$705	18.0%

<u>NOTE</u>: The tuition figures identified above are considered "Base Tuition Rates" (30 credit hours) and do not include tuition differentials, etc. No fees are identified in these figures.

While recent year budget cuts have resulted in tuition increases, such revenues have allowed institutions to maintain operations and increase institution-based financial aid (identified in Table Four). The proposed operational increase for FY 2013-14 will have a direct impact on institutions but also on Colorado's underserved students buy freeing up financial aid resources at the institutional level to improve access and completion in support of the statewide master plan.

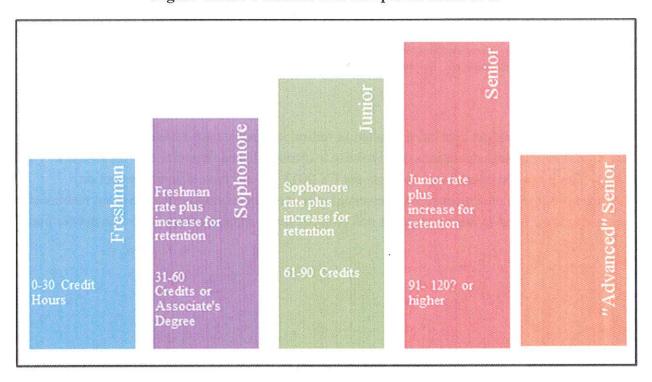
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Table Four: Change in Institutional Financial Aid at Public Institutions of Higher Education in Colorado, FY 2003-04 to FY 2010-11

Fiscal Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Total Public Institutional Financial Aid	89,062,661	102,620,315	138,113,409	139,209,125	165,478,388	195,859,445	222,121,166	241,582,016
Dollar Change from Prior Fiscal year		13,557,654	35,493,094	1,095,716	26,269,263	30,381,057	26,261,721	19,460,850
Percent Change from Prior Fiscal Year	-	15.2%	34.6%	0.8%	18.9%	18.4%	13.4%	8.8%
Cummulative Dollar Change from FY 2003-04		13,557,654	49,050,748	50,146,464	76,415,727	106,796,784	133,058,505	152,519,355
Cummulative Percent Change from FY 2003-04	<u>ं</u> जा	15.2%	55.1%	56.3%	85.8%	119.9%	149.4%	171.2%

Finally, the FY 2013-14 budget request also includes a \$5.3 million increase in need based financial aid. Need based aid is an important factor in providing access and persistence for Colorado's low income students. The Commission has the authority to allocate statewide need based aid and is currently considering a method whereby institutions would receive more aid as students accumulate more credit hours. This method directly supports the master plan goals of increased credit hour accumulation, timely degree completion, and improving outcomes for historically underserved students.

Figure Three: Financial Aid Completion Incentives



CONCLUSION

The CCHE's FY 2013-14 budget request includes new operational funding for institutions for the first time in a number of years. This new funding will not only help institutions sustain core programs and operations but also support the goals of the statewide master plan such as increasing degree completion, reducing disparities for underserved students, improving credit hour accumulation, and improving outcomes for students in remedial coursework. With the completion of the statewide master plan and performance contracts, the CCHE and the institutions will have agreement on the top priorities of the state for our public higher education institutions.

The FY 2013-14 request works in concert with the requirements of House Bill 10-1119 and both are aligned with the goals of the CCHE's statewide master plan. The result is an agenda that harmonizes the objectives of House Bill 10-1119 and Senate Bill 11-052 and encourages improvements in areas critical to the achievement of the state's overarching goals, such as increasing degree and credential attainment, closing degree attainment gaps, and improving basic skills/remedial education outcomes,.

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ADDENDUM A:

COLORADO COMPETES – A COMPLETION AGENDA FOR HIGHER EDUCATION COLORADO COMMISSION ON HIGHER EDUCATION MATER PLAN DECEMBER 2012

Colorado Department of Higher Education Strategic Plan FY 2013-14

ADDENDUM B: PERFORMANCE CONTRACT PROGRESS UPDATE

Institutions	Meetings With CCHE/DHE and Institutional Leadership	Contract Template Completed	Performance Metrics Submitted	Performance Metrics Finalized
Adams State University	X	X	X	X
Aims Community College	X	X	X	X
Colorado Community College System	X	X	X	X
Colorado Mesa University	X	X	X	
Colorado Mountain College	X	X	X	X
Colorado School of Mines	X	X	X	X
Colorado State University System	X	X	X	X
Fort Lewis College	X	X	X	X
Metropolitan State University	X	X	X	X
University of Colorado System	X	X	X	X
University of Northern Colorado	X	X	X	X
Western State Colorado University	X	X	X	X
AVS (Pickens Tech, Emily Griffith, Delta- Montrose)	X	X	#	#
University of Denver	X	X	X	
Regis University	X	X		
Colorado Christian University	X	X		

[#] To be completed in spring 2013 following the submission of institutional data.

Colorado Department of Higher Education Strategic Plan FY 2013-14

ADDENDUM C: PERFORMANCE INDICATOR TEMPLATE

	Subtotal Financial Stewardship				Fi
	INSTITUTION DEVELOPED INDICATOR	4.5			inan
	Increase institutional need-based financial aid expenditures (per FIE) at a rate at or above tuition increases for resident undergraduate students.	4.4		total points.	cial S
	Increase expenditures for instruction (per FTE) at a rate that is equivalent to or greater than thition increases for resident undergraduate students.	4.3		indicators and 15	Stew
	Moderate resident undergraduate tuition increases when state general fund revenues increase above inflation	4.2			ards
	Maintain the institution's rank relative to peers regarding the number of degrees awarded per \$100,000 in total operating (E&G) revenues	4.1			hip
	Subtotal Close Gaps				(
100000000000000000000000000000000000000	INSTITUTION DEVELOPED INDICATOR	3.9			losi
	Annually increase the proportion of resident underserved students who earn graduate-level degrees	3.8			ing P
	Annually reduce disparities in retention rates among resident underserved students and resident non-underserved students across all levels (sophomore, junior, senior)	3.7			rogi
	Annually reduce disparities in the transfer out rate between resident underserved students and resident non-underservd students	3.6		total points.	ess :
	Annually increase the proportion of resident underserved students who earn postsecondary credentials in STEM disciplines	3.5		indicators and 20	and
	Annually increase the proportion of newly enrolled resident students who are from resident underserved populations	3.4 /		Minimum of two	Atta
	Annually reduce disparities in the successful completion rates of entry-level gtPathways courses English and entry-level mathematics courses between resident underserved students and resident non-underserved students	3.3			ainmen
	Annually reduce disparities in degree completion (graduates per 100 FIE) between resident underserved and resident non-underserved students	3.2			t Ga
	Annually reduce disparities in graduation rates between resident underserved and resident non-underserved students	3.1 /	31 or 3.2		ps
	Subtotal Student Momentum and Success				Sı
	NSTITUTION DEVELOPED INDICATOR	2.6			tude
	Annually increase retention rates across all student levels (e.g., sophomore, junior, senior)	2.5		total points.	
	Annually increase the number of resident students who successfully complete the remedial course sequence	2.4		indicators and 20	Mon ucc
	Annually increase transfer out rate of degree-seeking associate of art or associate of science students who earn at least 12 credit hours	2.3		Minimum of two	
	Annually increase the proportion of students who accumulate at least 24 credit hours	2.2 ,			um a
	Annually increase the successful completion (C or better) of introductory gtPathways courses in English and Mathematics	2.1 ,			nd
	Subtotal Credential Completion	4			
		1.7			Cre
	Annually increase graduate degree productivity as measured by the number of graduate credentials awarded compared to the number of graduate students (FIE) emolled	1.6			den
	Annually increase proportion of undergraduate credentials awarded in STEM disciplines	1.5		total points.	itial
	Annually increase the graduation rate of transfer students	1.4 /		indicators and 20	Cor
	"Maintain excellence" by maintaining graduation rates at or among the top 25% of peer institutions	1.3		,	nple
	"Maintain excellence" by conferring undergraduate credentials per 100 students enrolled at a level at or among the top 25% of peer institutions	1.2	11, 1.2, or 1.3		tion
	Increase undergraduate eredentials awarded by one percentage point per year.	11 [
Weight (As %)	Colorado Performance Contract Worksheet	Indicator Number	Required Indicators		

Colorado Department of Higher Education Strategic Plan FY 2013-14

ADDENDUM D: PERFORMANCE CONTRACT EXAMPLE

STATE OF COLORADO DEPARTMENT OF HIGHER EDUCATION PERFORMANCE CONTRACT

This Performance Contract is by and between	een the Department of Higher Education (hereinafter
referred to as the "Department") and the Board of	(hereinafter referred
to as the "Governing Board").	

RECITALS

WHEREAS, the General Assembly enacted the College Opportunity Fund Act, title 23, Article 18, Section 101 *et seq.*, Colorado Revised Statutes, which states that performance contracts should provide for greater flexibility and a more focused accountability for institutions to students and the people of Colorado.

WHEREAS, Title 23, Article 1, Section 108(1.5)(a), Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the "Commission") shall develop and submit to the Governor and General Assembly, a new master plan (hereinafter referred to as the "Master Plan") for Colorado postsecondary education, which shall be developed in collaboration with the governing boards and chief executive officers of the state institutions of higher education.

WHEREAS, Title 23, Article 1, Section 108(1.5)(f), Colorado Revised Statutes, requires the Commission to ensure that the Master Plan is implemented through the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6 by negotiating with the governing boards individualized goals and expectations for the public institutions of higher education, which goals and expectations support achievement of the statewide goals identified in Section 108(1.5)(c) and in the Master Plan.

WHEREAS, Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, requires that the Commission, working with the governing boards and the institutions of higher education, shall collect data, including but not limited to research conducted by national policy organizations and agencies or institutions of higher education in other states, as necessary to support development and implementation of the Master Plan and to use in negotiating the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6.

WHEREAS, Title 23, Article 1, Section 108(1.9), Colorado Revised Statutes, requires the Commission to create a performance-based funding plan on or before December 1, 2013, to appropriate to each governing board, including the governing boards for the junior colleges and area vocational schools, a portion of the performance funding amount for the applicable state fiscal year based on the success demonstrated by the institutions under each governing boards' control in meeting the goals and expectations specified in the institutions' respective performance contracts. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(I), Colorado Revised Statutes, the "performance funding amount" means twenty-five percent of the amount by which the general fund appropriation for the state system of higher education, excluding any amount appropriated for student financial aid, exceeds six hundred fifty million dollars when total general fund appropriations have reached or exceed the "restored level" of seven hundred six million dollars.

GENERAL PROVISIONS

1. Effective Date and Term of Contract. This Performance Contract shall be effective after

execution by the Governing Board and the Department and on the date the Performance Contract is approved by the Commission, and shall remain in effect until June 30, 2017.

- 3. <u>Authority to enter Performance Contracts</u>. The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Performance Contract is authorized by Title 23, Article 5, Section 129(2)(a), and Title 23, Article 1, Section 108(1.5)(f).
- 4. <u>Prior Agreements</u>. This Performance Contract supersedes and replaces any previously executed performance contract, including amendments and modifications thereto, entered into by the Parties.
- 5. <u>Performance Goals and Measurements.</u> The Institution agrees to make those efforts and implement the performance goals and expectations set forth in Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A.
- 6. <u>Performance Goal Achievement</u>. This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.
- 7. Resource, Programmatic and Management Flexibility. As authorized by Title 23, Article 5, Section 129(2)(a), Colorado Revised Statutes, the Institution's compliance with the goals set forth herein are in lieu of many of the requirements of Article 1 of Title 23 for the period of the Performance Contract, as set forth in Addendum B.
- 8. Academic and Vocational Program Approval. Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), Colorado Revised Statutes, and the Commission's Policy I-V, while operating pursuant to this Performance Contract, the Governing Board shall continue to operate as the Governing Board for the Institution, and shall not be required to consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution's statutory role and mission. The Commission shall have the authority to override the creation or modification of an academic or vocational program if the change made by the Governing Board is inconsistent with the Institution's statutory role and mission.
- 9. <u>Tuition and Other Increases</u>. During the period this Performance Contract remains in effect, the authority of the Governing Board for the Institution to set tuition shall be as set forth in Title 23.
- 10. <u>Institution's Eligibility for State Funding</u>. Pursuant to Title 23, Article 5, Section 129(7)(a), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the

Institution shall remain eligible for state-funded capital construction projects and controlled maintenance projects as provided in Title 23, Article 1, Section 106.

- 11. Resident Applicant Admission Requirements. Pursuant to Title 23, Article 5, Section 129(7)(b), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall continue to admit Colorado resident applicants within the requirements of Title 23, Article 1, Section 113.5 who meet the admissions criteria of the Institution.
- 12. <u>Data Reporting Requirements</u>. The Governing Board shall transmit to the Department all annual reports and data required in this Performance Contract including those set forth in Addendum A, in the form and manner prescribed herein or as required by Commission policy. The Governing Board shall provide the Department of Higher Education with data upon formal request, including data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data Systems (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.
- 13. <u>Issue Resolution</u>. The parties agree to use their best efforts to resolve any disputes that may arise with respect to performance of the terms and conditions set forth herein. In the event that a party to this Performance Contract has reason to believe that the other party is not complying with the terms and conditions set forth herein, that party shall first provide written notice to the non-complying party setting forth the nature of the alleged failure to act or perform. If the dispute is not resolved, the official representatives of the parties shall meet to discuss a remediation plan or modification of this Performance Contract as may be required by the circumstances.
- 14. Performance Report. Performance on this Performance Contract shall be reported by the Department to the Governor and General Assembly pursuant to Title 23, Article 5, Section 129(5). The Institution understands that, pursuant to Title 23, Article 1, Section 108(1.9)(b) and (c), Colorado Revised Statutes, after the 2015-16 state fiscal year, in each state fiscal year in which the general assembly appropriates the restored level of general fund appropriations for the state system of higher education, the Commission, based on the performance-based funding plan adopted in the Master Plan, shall recommend to the joint budget committee the portion of the performance funding amount to be appropriated to the Governing Board, based on the demonstrated performance of the Institution in meeting the goals and expectations set forth in this Performance Contract. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(II), Colorado Revised Statutes, the "restored level of general fund appropriations" means an amount of general fund appropriations for the state system of higher education, excluding any amount appropriated for student financial aid, that equals or exceeds seven hundred six million dollars.
- 15. <u>Notice and Representatives</u>. For the purposes of this Performance Contract, notices required under this Performance Contract shall be in writing and shall be sent by prepaid certified mail, return receipt requested, by facsimile, with confirmation of transmission, by overnight delivery such as Federal Express, or by hand delivery, with confirmation of receipt, to the individuals identified below who are hereby designated as the official representatives of the respective Parties. Either Party may from time to time designate in writing a new or substitute representative or address.

For the Department:

Executive Director Colorado Department of Higher Education 1560 Broadway, Suite 1600 Denver, CO 80202 For the [Governing Board/Institution]:

President

- 16. <u>No Third-Party Beneficiary</u>. Nothing in this Performance Contract shall be construed or implied to confer third-party beneficiary status on any person or entity. Any services or benefits which third parties receive as a result of this Agreement are incidental and do not create rights for such third parties.
- 17. <u>Assignment</u>. The rights and obligations of each Party hereunder are personal to such Party and may not be transferred, assigned or subcontracted without the prior, written consent of the other Party.
- 18. <u>Severability</u>. To the extent that this Performance Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Performance Contract, the terms of the Performance Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof.
- 19. <u>Renewal of Agreement</u>. The Governing Board and the Department may agree to renew this Performance Contract prior to its expiration. Any such renewal must be approved by the Commission.
- 20. Entire Agreement. This Performance Contract, including the Addenda hereto and any documents to be delivered hereunder, are intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129 and Title 23, Article 1, Section 108(1.5)(f). No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a writing executed and approved by both Parties to this Performance Contract and the Commission.
- 21. <u>Modification</u>. This Performance Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the parties in writing and incorporated into and made a part of this Performance Contract as if fully set forth herein. Any modification or addition to this Performance Contract shall not become effective until approved by the Commission.
- 22. <u>Force Majeure</u>. Neither party shall be considered to have materially failed to perform its obligations under this Performance Contract, including, for the Institution, its failure to meet a Performance Goal, to the extent that such failure arises out of causes beyond the reasonable control of a party. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of the state or the United States in either its sovereign or contractual capacity, fires, floods, epidemics, strikes, and unusually severe weather, but, in every case, delay or failure to perform must be beyond the reasonable control of and without the fault or negligence of the party.

SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS PERFORMANCE CONTRACT

GOVERNING BOARD Board of Trustees for	DEPARTMENT COLORADO DEPARTMENT OF HIGHER EDUCATION
BY: President Date:	BY: Lt. Gov. Joseph A. Garcia, Executive Director Date:
APPROVED	APPROVED
BY:	BY: